

## BAREC RFP FAQ

Updated April 15, 2015

- Q1.** Under the second scenario outlined in the RFP (“Development to include land purchase of approximately 3-acre Housing Authority-owned site with open space and without a joint partnership...), the RFP offers that proposals “may vary from that original 165-unit plan” and also states, “Proposal may be for a 100% market rate development concept.” The RFP also references “Development scenarios... shall be compatible and considerate of existing nearby development in the vicinity.” To what degree is the city open to office and retail, office only, or retail only on the site?
- A1.** *Developer can propose whatever they want on the 3 acres but they need to realize that an office/retail proposal may not stack up well to other proposals. There are already some entitlements on the site and we have always contemplated residential. A change in use would seriously impact the overall schedule and therefore may not be considered viable.*
- Q2.** Will there be any funding available from the City towards this project?
- A2.** *There may be boomerang funds available for the affordable housing component of the project. The level of funding and the potential of other affordable housing funds are undetermined. Proposers are encouraged to minimize their requests for assistance.*
- Q3.** Is this mostly intended for private developers or do you expect non-profits at this time or perhaps when the City sells the site and can help provide funds for affordable housing.
- A3.** *All qualified development firms are encouraged to submit a proposal that meets project objectives.*
- Q4.** What is the exact relationship of the two entities (Santa Clara Methodist Retirement & Charities Housing) mentioned in the proposal. I see full blown renderings. If they cannot develop the site, what is their suggested role?
- A4.** *SCMRF is a non-profit corporation and Charities Housing is a developer. Prior to the collapse of the Redevelopment Agency, SCMRF/CH secured entitlements on the project site under an Exclusive Negotiation Agreement. The ENA has expired but the SCMRF/CH team remains very interested in the affordable housing component of the project. The original scope of the project was detailed by them so this is what the City has seen in the past, but is not necessarily what will dictate the project selected through the RFP process. Qualified developers and non-profits will be considered if they submit proposals.*
- Q5.** As drafted it appears to us that Charities/Methodist will be the senior affordable housing developer for the 165 units. Is this correct?
- A5.** *This is not a certainty, but it is their plan that is currently represented as the zoning entitlement. We anticipate that CH/SCMRF will make a proposal. Proposals received in this process could accommodate that plan in some way or propose to alter it in some way.*

**BAREC RFP FAQ**  
**Updated April 15, 2015**

- Q6.** As drafted it appears that the funding for the 165 Senior Affordable units will need to come from a Market Rate component (on 3 acres). Correct?
- A6.** *Yes, it can be that way. We are seeking the best proposal to fund 165 affordable senior housing units, whether market rate or non-profit, whether on 3 acres or combined on the 6-acre site.*
- Q7.** Does the City have any thoughts on what an acceptable density or types of market units would be appropriate for the market rate component?
- A7.** *The current zoning is PD (R3-18D) multi-family and shares an overall density of approximately 27 DU/acre over the entire project site (16 acres). The current General Plan designation under the 2010-2035 General Plan Update was amended to medium density residential and allows 20 to 36 units per gross acre. Because the 100 percent affordable senior housing project qualified as a density bonus project under State and City regulations at the time of approval, certain development incentives were allowed. Such as building heights of up to 50 to 60 feet and reduced parking ratios. The current General Plan designation in 2010 has moderate density residential and will allow for more units than the 165, plus the 110 market rate Summer Hill development. Any significant zoning change may be difficult and may trigger additional environmental review. The development agreement authorizes the approval of up to 165 affordable senior units and 2.5 acres of landscaped area.*
- Q8.** If a developer had another idea/concept for the site that did not include Charities/Methodist as the affordable developer would the proposal be disqualified?
- A8.** *No, the proposal will not be disqualified. The proposal will be evaluated based on project objectives.*
- Q9.** What is the City's estimate of the total funding requirement for project subsidy?
- A9.** *The level of funding subsidy and the potential of other affordable available housing funds are undetermined for this project. Proposers are encouraged to minimize their requests for assistance. A competitive proposal will maximize external resources to supplement any available City resources. The City is looking to proposers to determine need for subsidy.*
- Q10.** If a responder to the RFP proposes solely on 3 acres, does the City intend to proceed with Charities/Methodist as the non-profit on the other 3 acres?
- A10.** *This is not for certain, but it is their plan that is currently represented as the zoning entitlement. We anticipate that CH/SCMRF will make a proposal. Proposals received in this process could accommodate that plan or could alter it in some way.*
- Q11.** If a proposer is unable to craft a joint venture with Charities/Methodist on the entire 6 acres and the City proceeds with a non-profit on the other 3 acres, does that mean that the requirement for the 1 acre of open space is assigned to the development program for the remaining 3 acres?

## **BAREC RFP FAQ**

**Updated April 15, 2015**

- A11.** *This issue highlights the City's desire for a 6-acre proposal. However, understanding that the product type and finance strategy may make a 6-acre proposal challenging for developers, we are open to 3-acre proposal. The tradeoff is the requisite coordination of land uses on the 6-acre property between the developers and City. There is not a defined assignment of open space to either the affordable or market rate component.*
- Q12.** Does the City have outstanding commitments or legal agreements to CH/SCMRF?
- A12.** *On June 19, 2007, the RDA adopted a 180-day ENA with CH/SCMRF to enter into a DDA that was not implemented. The Housing Authority does not have any commitments to or legal agreements with these groups and will evaluate all proposals within the guidelines of the RFP.*
- Q13.** Will Charities/Methodist or another non-profit control 3 acres if a responder is unable to craft a joint venture with Charities/Methodist on the entire 6 acres?
- A13.** *The City will evaluate all proposals. Proposers are encouraged to submit proposals that closely resemble the original plan for affordable senior housing and open space.*
- Q14.** What is the public participation process?
- A14.** *There will be public participation during various stages of the process:  
Request for Proposals- A draft RFP was available for review by the public  
Exclusive Negotiation Agreement- After the selection of the developer(s) the ENA will be brought to the City Council for consideration. The ENA will specify terms and conditions and the parameters of the development. The ENA will be available for public review prior to City Council consideration.  
Entitlement process- The developer(s) will be required to prepare and implement a public outreach program during the entitlement process.*
- Q15.** Has the City made a determination about whether or not prevailing wages will apply? What would trigger prevailing wage? Is it only the funding sources used?
- A15.** *The prevailing wage is only used/required when Federal or State funds are used on a project, and may be required if there is any subsidy from the City. If use of Boomerang funds is included in proposal, then County policy will require State prevailing wages.*
- Q16.** Has the City already paid for the land? Does this cost need to be accounted for in the development costs?
- A16.** *The Housing Authority has already purchased the land from the State. Developers considering purchase of land in proposals need to include the offer amount and number of acres that they would like to purchase in submittal.*

**BAREC RFP FAQ**  
**Updated April 15, 2015**

**Q17.** Does the City have a sense of the funding gap for this project?

**A17.** *The funding gap will depend on the proposal that the developer brings forward. The City is looking for developers to identify the funding gap in their proposals.*

**Q18.** Can the City do anything to streamline the entitlement process?

**A18.** *At this point, the City does not know what the process will be. The City will do whatever it can to expedite the entitlement process.*

**Q19.** There are new storm water rules in place since the initial entitlements were approved. Is the project subject to the old or new storm water rules?

**A19.** *If there are any changes made to the CEQA environmental review, the project may be subject to the new storm water rules.*

**Q20.** Is there a target Area Median Income (AMI) for this project?

**A20.** *Developers are required to perform in accordance to the first amendment to the purchase and sale agreement between the State and Housing Authority, see EXHIBIT A. This relevant document is posted to website. In addition, the developer may request the use of boomerang funding. The use of boomerang funds shall be used to increase access to housing that is affordable to the Extremely Low Income (ELI) and/or special needs households. Please reference attachment D listed under relevant document posted to website.*

**Q21.** The Deed restrictions say that development must be commenced by January 2017. Has the City had discussions with the State to relax these parameters? Is the State willing to give another extension?

**A21.** *The City has already received an extension until January 2017. There are no plans to request an additional extension at this time.*

**Q22.** Is the City planning on having a third party evaluate the gap financing need?

**A22.** *The City will decide if assistance is needed for a third party after proposals are received. It is likely that the City will seek assistance from a third party to make the determination for the gap financing need.*

**Q23.** Are there height limits on the site either in terms of the general plan designation or the current zoning?

**A23.** *Developers should review City zoning code. Proposal is required to include a project within code for heights. The General Plan states that building heights are to be compatible with surround*

**BAREC RFP FAQ**  
**Updated April 15, 2015**

*neighborhoods or areas. Under the current zoning approvals building heights of up to 50-60 feet are allowed. The PD only contemplates up to 4 stories.*

**Q24.** Is there flexibility to do less than the original 2 ½ acres of open space identified in the development agreement?

**A24.** *Yes, there is flexibility to do less than the original 2 ½ acres of open space.*

**Q25.** Has the City received any further clarification on the “commencement of development” definition?

**A25.** *The City’s interpretation is commencement of construction.*

**Q26.** The proposal deadline is April 30<sup>th</sup>. Will you select two or three finalists or only one developer?

**A26.** *Our target is to select one final developer by June 23, 2015.*

**Q27.** Will there be an opportunity to ask questions after the meeting and receive answers?

**A27.** *Yes, questions may be directed to Tamera Haas, Deputy City Manager, at [thaas@santaclaraca.gov](mailto:thaas@santaclaraca.gov).*

**Q28.** Once the project is entitled, does the City have plans to undertake any community outreach efforts, such as a charrette?

**A28.** *Please see question 14 of FAQs on the public participation process.*

**Q29.** The RFP notes that there are other documents available. How do we request these documents?

**A29.** *Other relevant documents are available on website at:  
<http://santaclaraca.gov/index.aspx?recordid=213&page=2420>*

**Q30.** With the lease option, is there a requirement to re-pay the State?

**A30.** *No, there is no repayment requirement with the lease option.*

**Q31.** Can a developer put up to 301 additional units on the BAREC site without triggering a re-zoning?

**A31.** *Overall General Plan density today is 20-36 units per acre. Site (for sale and senior parcel) at 16 acres times maximum of 36 units equals 576 unit, less the for sale units of 110 units and 165 units of affordable senior housing leaves 301 additional units available to be built by developer on 6 acre site for a total of 466 units. This significant change would trigger a re-zoning.*

**BAREC RFP FAQ**  
**Updated April 15, 2015**

**Q32.** What was the purchase price paid by Summer Hill and City for their parcel of land?

**A32.** *Summer Hill paid approximately \$3.26 million per acre for a total of \$32.36 million for their parcel. The Housing Authority paid approximately \$1.93 million per acre for a total of \$11.5 million for their parcel.*

**Q33.** Are any additional entitlements needed other than the ones currently in place?

**A33.** *The other entitlements needed are a zoning amendment- the General Plan allows for a lot more units, but the existing EIR only covered the 110 unit for sale units and the 165 units for affordable senior housing and did not cover impacts for a higher density count. A Supplemental EIR would likely be needed or equivalent CEQA document. Proposals with higher density would need to be reviewed for appropriate CEQA evaluation.*

**Q34.** If developers want to come to review the draft and final EIR, can they do that at the Planning Department counter?

**A34.** *Yes, developers can review the Draft EIR, the Final EIR as well as the Traffic Study at the Planning Department counter during normal city business hours.*

**Q35.** What is the State Department of General Services position if a developer is to build market rate units in addition to the 165 affordable senior units on the site? What if a developer offers to purchase a portion of the land while still including the 165 affordable units? Would that trigger the formula to repay a portion to the State?

**A35.** *Development other than affordable senior housing could require the city to provide further compensation to the State over the original purchase price. The exact amount may vary based upon the proposal selected. Any additional State compensation will be paid from the Developer's purchase price to the City. The State does not make a distinction between selling the property or leasing the property.*

*Developers should refer to the Grant Deed, which states:*

*"State and Authority agree as follows:*

- 1. In accordance with the Purchase Agreement and California Government Code section 11011.1 et seq., Authority hereby covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property and each portion thereof, that the Property shall be developed for the purpose of providing low- or moderate-income housing for not less than 40 nor more than 55 years."*

**Q36.** What is the current General Plan designation for the site? What residential density does it allow and does it allow mixed use (retail) as well?



**BAREC RFP FAQ**  
**Updated April 15, 2015**

- A36.** *The General Plan designation for the site is medium density residential (20-36 units per acre). The maximum density is 36 units per acre and does not allow mixed use currently. Mixed use (retail) would require a General Plan amendment.*
- Q37.** Will the zoning for the site need to be changed if the proposer increases the number of units from 165 to 400?
- A37.** *Yes, a zoning change would be required. The Environmental Impact Report (EIR) is for the entire 17 acres, including the 6 acre site. Increasing the units from 165 to 400 units is a significant change that will require re-zoning. Any commercial component proposed to the development will require a General Plan amendment.*
- Q38.** What is the likely CEQA process for a project that proposes 400 residential units, 20,000 sf of retail and public open space on the site?
- A38.** *Depending on the elements of the proposal, it is likely that a Mitigated Negative Declaration (MND) or EIR will be required. Any commercial component and/or public open space proposed to the development will require a General Plan amendment. The development agreement authorizes the approval of up to 165 affordable senior units and 2.5 acres of landscaped area.*
- Q39.** What types of fee obligation are required? Can you provide examples of such fees?
- A39.** *Developers are responsible for reviewing City's fee schedules to determine fees due that relate to their proposal(s). Planning fees are provided on the Planning fee schedule, which is on the website. At this point in the process it is unknown if a GP amendment or rezoning or an MND or EIR will be required as it is dependent on the proposals submitted.*
- Q40.** On the Proposer's Signature Page in the RFQ, the top paragraph of the first page, seems to simply state that signature is required to certify that the proposer has read and understood the RFP. However the certification, where the actual signature is placed states that the signer is *designated to sign the Proposal Cost Form*. Is a separate form required?
- A40.** *The proposer cost form reference is when the proposer is a corporation, assurance is required that the signer has corporate authority to sign and bind the corporation via the cost proposal that is with the RFP. No separate form is required or include in the RFP.*

*On page 6 of 15, under J proposal content number 11 of RFP does require Proposer to:*

*"Provide evidence of financial feasibility including Pro forma detailing estimated costs and revenues, financial plan (sources and uses of funds, including estimated debt and equity) and identify key assumptions in financial analysis. Examples of such evidence could include: financial statement, letter from major regional or national equity investor confirming the willingness to invest stated equity amount necessary to construct the project, etc. Information on the comparable project experience is not intended to be a substitute for this requirement, but will also be taken into consideration."*